

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

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June 2, 1951

1952 Convention Dates

An opening date of Saturday, January 19, for the 1952 Convention in Atlantic City has been announced by the three sponsoring associations—N.C.A., N.F.B.A., and C.M.&S.A. The convention again will bring together all of the participating groups at the same time.

Saturday, January 19, is the date for the Opening General Session of N.C.A., the Annual Business Meeting of N.F.B.A., and the Machinery Exhibit staged by C.M.&S.A. The overall Convention will be in continuous session thereafter through Wednesday, January 23.

A vast amount of detail is yet to be worked out, including the allotment of hotels, program features, exhibit, and other Convention plans.

Ceiling Price Regulations

The N.C.A. is mailing copies of several ceiling price orders issued by the Office of Price Stabilization:

Amendment 4 to CPR 22, adding metal containers to the list of commodities for which the change in net cost may be computed up to March 15, 1951.

Amendment 6 to CPR 22, extending the deadline date for filing OPS Public Form 8 from May 28 to July 2.

CPR 42, establishing ceiling prices on asparagus, snap beans in the southern area, spinach, and all other greens.

Amendment 13 to the GCPR, generally revising the food provisions of the freeze order, and Amendment 14, modifying Amendment 13.

Copies of Amendment 4 and Amendment 6 to CPR 22 are being mailed with this issue of the INFORMATION LETTER, and a summary of Amendment 6 is reproduced on page 220. Copies of CPR 42 and Amendment 13 and Amendment 14 to GCPR, together with summaries, are being mailed under separate cover.

The effective date of the import order, CPR 31, has been further extended from June 1 to July 15, by Amendment 3, issued June 1.

Board Urges Recognition Of Essentiality of Canning

A resolution calling on the Secretary of Agriculture to secure recognition of the essentiality of the canning industry under the defense program was voted by the N.C.A. Board of Directors May 25 as the climax of the week's discussion of problems currently facing the industry and the Association.

The resolution calls on the Secretary of Agriculture, as claimant agent for the industry, to secure this recognition immediately so that supplies of steel necessary for tin plate and production machinery may be made available immediately. Text of the resolution is reproduced on pages 218 and 219.

The resolution was the principal formal action taken by the Board at its annual spring meeting, May 24-25, or by the War Mobilization Committee or other N.C.A. groups which met to discuss industry problems.

Discussions during the week of meetings covered not only containers but also procurement, legislation, and administration of stabilization programs. S. R. Smith, Director of the Fruit and Vegetable Branch, Production and Marketing Administration, USDA, which is claimant agency for the canning industry, addressed the Board on most of the defense control programs. The Directors also heard talks on recent legal developments affecting the canning industry; and voted approval of plans to call a Board meeting in San Francisco October 11 immediately preceding dedication of the new N.C.A. Western Branch Laboratory building in Berkeley, Calif., October 12.

Containers

It was reported at meetings of the War Mobilization Committee and later to the Board that the critical factor in the container shortage no longer is tin but the supply of steel, which so far has been allocated by the government to other users, to an extent that further restrictions on can use may become necessary.

Howard T. Cumming, chairman of the War Mobilization Committee, headed detailed discussions by that

(Please turn to page 218)

Local Recruitment Essential During Present Labor Shortage

According to reports received by the N.C.A. from government sources, farm associations, and canners, the labor supply problem is becoming increasingly critical.

Canners and their growers are advised to use intensive local recruitment programs and to maintain a close working relationship with local and state employment offices.

There is little likelihood that the type of federal labor supply program in effect during the past war will be made available this summer. The only legislation dealing with agricultural labor now before Congress is a measure to implement the recruitment and utilization of Mexican nationals.

Board, Council, Committees

(Concluded from page 317)

committee of problems arising out of the defense program, and reported to the Board on the present status of emergency measures. He also presented the proposal that the Board adopt the resolution on essentiality of the canning industry.

Procurement

Walsh-Healey Exemption: At almost every discussion, the problem of the Walsh-Healey Act was considered the most important issue now facing the industry.

Announcement was made that a public hearing will be held June 11 on the request by the Department of the Army for a canning industry exemption from the Walsh-Healey Act (see story on page 223), and it was agreed that N.C.A. should present testimony at the hearing in support of this request.

Set-aside release: Because of the uncertainty of the length of the Korean campaign, canners voiced concern over whether the QMC would purchase all of its set-aside quotas and at what time it might release unwanted stocks for civilian trade.

It was brought out that the QMC already has indicated its intentions to purchase all of its currently-estimated requirements, and to balance overpurchases, if any occur, with smaller requirements next year.

The N.C.A. was instructed to develop, with the cooperation of the QMC and PMA, an amendment to the set-aside orders providing some form of automatic cut-off or release date for canners.

Lt. Col. W. F. Durbin, Chief of the Subsistence Branch, Supply Division, Office of the Quartermaster General, spoke off the record at a meeting of the Board.

Defense Production Act

The Legislative Committee reported preponderant Congressional opinion against broadening the administration's powers under the Defense Production Act and favoring at this time only an extension of the present Act for a period of two or three months beyond the June 30 termination date. Following consideration by the War Mobilization Committee, it was agreed that the N.C.A. would present briefs to the Senate and House Committees on Banking and Currency supporting the following important business safeguards in the present law:

- (1) The guarantee of generally fair and equitable processing margins, and
- (2) the protections against (a) involuntary changes in business practices, (b) imposition of grade labeling, (c) elimination of brand names, and (d) mandatory standardization.

It also was agreed that the industry is opposed to the administration's recommendations for (1) unlimited authority to engage in business, (2) power to license industry and institute subsidies, and (3) removal of the limitation on treble damage penalties in antitrust violations.

No position was taken on the President's request for a freeze of farm prices at the parity level prevailing at the start of the marketing season.

Stabilization

Several government men spoke off the record on the subject of price and wage controls and other stabilization programs, chief of whom was Eric Johnston, Economic Stabilization Administrator.

George Mehren, Assistant Director of the Food and Restaurant Division

in the Office of Price Stabilization, outlined the basic principles on which the price control program is being developed.

Recent Legal Developments

H. T. Austern, Chief Counsel of N.C.A., addressed the Board on the recent Supreme Court decision in the "imitation jam" case and on proposed enactments revising the commercial code. Summaries of these discussions follow:

'Imitation Jam' Case

Mr. Austern first considered the policy problem raised by the decision of the United States Supreme Court in the *Jam* case (see INFORMATION LETTER No. 1315, December 9, 1950, page 340; and No. 1330, March 31, 1951, page 161). It was recalled that under established law as to the interpretation to be given to the Food, Drug and Cosmetic Act, any departure from a promulgated Standard of Identity made it illegal to sell the product in interstate commerce. A Standard of Identity controls the com-

Resolution of N.C.A. Board of Directors

Adopted at Meeting, May 25, 1951, Washington, D. C.

Resolved

That the current acute curtailment of metal containers for the packing of many essential canned foods, occasioned by the inability to obtain needed steel for tin plate, in turn directly due to Governmental directives concerning the production and delivery of steel, threatens both the defense program and the battle against inflation, in that

Experience during both World Wars dramatically demonstrated to the nation the essentiality of canned foods. The necessity for maintenance of an adequate supply extends not only to seasonal canned foods but to all types of processed canned foods. Any further curtailment in the production of tin cans will have its principal impact upon many of the lower priced canned foods widely used and particularly upon those canned foods whose availability affords the only basis upon which those responsible for the maintenance of the home can accept defense employment.

Curtailment of the availability of these lower priced processed food items inexorably will have an inflationary effect.

Lack of availability of many of the canned foods without which many women could not engage in defense work necessarily will impede the full employment of necessary labor for defense production.

Failure because of lack of tin plate to produce an adequate supply of canned foods will seriously diminish the over-all food supply.

II

The canning industry will be zealous in making any necessary sacrifices in the national interest. Yet the industry is firm in its conviction that conservation

position of a food, prescribes what may be lawfully in it as required or optional ingredients, and "exclusively appropriates" the label name to that composition. Any food which is "represented as or purports to be" the standardized food must conform precisely to the Standard of Identity.

Mr. Austern pointed out that in establishing this doctrine in the *Quaker Oats* case, the United States Supreme Court had made it clear that the theory behind standards of identity had little or nothing to do with informative labeling. The addition of an unauthorized ingredient cannot be cured by disclosing its presence on the label.

The paradox, it was suggested, is that in the *Jam* case the Supreme Court only recently had recognized that a food which looked like and tasted like a standardized food might, however, be labeled "Imitation", with the ingredients listed, and be lawful. This decision necessarily rests on the theory that purchasers do read labels.

It was suggested further that efforts might soon be made to secure an

amendment to the statute which would prohibit any departure from a standardized food to be labeled "Imitation." Mr. Austern suggested that the canning industry might be asked to take a position on this proposal and that this might have to be determined at the next Board meeting. Among the considerations which might operate would be the degree of apprehension in the industry about possible competitive injury from plainly labeled imitation foods, and the attitude of the individual Board members toward paternalistic legislation turning on whether it was felt that products forthrightly labeled "Imitation" could be competitively met in the market place or preferably should be outlawed by statute.

Commercial Code

Mr. Austern next reviewed the work of Association Counsel in connection with the proposed Uniform Commercial Code. This is a revision developed jointly by the American Law Institute and the Conference of State Commissioners on Uniform Laws, for a revision and codification in one statutory

proposal of the Uniform Sales Act, the various laws on negotiable instruments, bills of lading, etc.

Mr. Austern developed the relation between this proposal and suits based on alleged injury from canned foods. This important subject had bearing on the Association's Claims Division, the Protective Trust Fund, and the potential liability of every canner for alleged injuries resulting from the use of his product.

The distinctions between suits founded on negligence and those based on breach of warranty were explained. In the former, the canner can show his own due care and the plaintiff's contributory negligence. In the warranty action, the only question is whether the warranty had been breached and whether the breach of warranty had caused the injury.

Mr. Austern suggested that because of certain recently developed laws of evidence the practical difference between the two kinds of legal actions was very often not important, but that many lawyers believe that the rule should not be changed which permitted only the actual purchaser, usually the housewife, to sue the immediate seller, usually the retailer, for breach of warranty.

As originally formulated, the proposed Commercial Code would have made considerable changes in the law relating to warranties. It would have extended the warranty to anyone who might be injured through the use or consumption of the goods. It would have provided that the manufacturer could be directly sued, or instead, the retailer could implead the manufacturer. Moreover, if the manufacturer, when notified of the suit, failed to defend it, any judgment against the retailer would be automatically binding on the manufacturer. There were other technical difficulties engendered by the proposal.

Mr. Austern reported the activities of Association Counsel in endeavoring, in cooperation with other groups, to secure amendments to this proposal. These efforts have resulted in limiting the warranty to "any natural person in the family or household", or any guest. The provisions permitting direct suit against the manufacturer by a consumer alleging injury and the provisions permitting the retailer to demand the entry of the manufacturer into the defense of the suit were deleted. Various other technical difficulties were remedied. It was pointed out, however, that any injured consumer can still directly sue the manu-

of strategic and critical materials must be founded on the relative essentiality of end use. Foremost among these must be the maintenance of plentiful supplies of canned foods in metal containers adequate both for normal distribution and emergency conditions, particularly for the development of civil defense programs.

To meet the production goals already established by the Government, immediate and direct action must be taken to make available the necessary steel and tin plate for containers. Production likewise rests upon the availability and maintenance of the mechanical facilities utilized by the canning industry, and the requisite steel for these purposes must also be provided.

III

As an integrated and essential part of agriculture, in bringing the harvest to the consumer in a stable fashion, in the form required and at the time of consumption, the canning industry must look to the Department of Agriculture which has been designated as its claimant agency in defense controls. Because of the current acute crisis, the industry and the Association urges upon the Secretary of Agriculture the necessity for immediate action to secure the recognition of the essentiality of the industry and the immediate making available of necessary steel for tin plate and the industry's productive machinery. Time is of the essence. It is manifest that the Controlled Materials Plan, when effective, will not afford sufficient and timely relief because of the seasonality of the canning industry. Emergency measures are needed. Since there is reason to believe that the cardinal difficulties flow from prevailing Governmental directives for steel production, these emergency measures must, to be effective, operate quickly and directly as directives for the timely production of the kind, types, and tonnages of steel necessary for 1951 seasonal production of canned foods.

facturer on the ground of negligence in the production of the goods.

In the legal presentations which resulted in these changes, the experience of the Association's years of work in the Claims Division were drawn upon heavily, and the practical experience of the Association in successfully defending such claims was very persuasive.

The proposed Uniform Commercial Code is scheduled for presentation to the various state legislatures in the future. It was suggested that when this occurs, each canner might be interested in checking the warranty provision.

West Coast Dedication

In response to the invitation voiced by H. E. Gray, chairman of the Western Building Subcommittee, the Board authorized the Dedication Committee to proceed with plans for dedication of the N.C.A.'s new Western Branch Laboratory building in Berkeley, Calif., next October 12, to be held in connection with the annual fall meeting of the Board, on the preceding day.

It was announced that construction of the Berkeley building is proceeding satisfactorily, and it is expected that the building may be ready for occupancy about August 1.

Other Board Action

The Board also heard the report of Marc C. Hutchinson, chairman of the Administrative Council, and Henry P. Taylor, chairman of the Finance Committee, on the financial status of N.C.A. The Board accepted these reports.

In other actions, the Board

- (1) Elected Ivan Moorhouse to fill an existing vacancy on the Executive Committee;
- (2) Increased the Executive Committee from five to six members, and authorized President Barnes to appoint the sixth member;
- (3) Increased the budget by \$20,000 to help cover the cost of a fall meeting of the Board;
- (4) Approved a depository for funds or securities belonging to the Pension fund for employees; and
- (5) Instructed the N.C.A. to forward to canners, for whom hotel reservations have been made upon request, any hotel bills for unused reservations.

Other Meetings

The N.C.A. Labeling Committee, its Technical Advisory Committee and the N.C.A. Statistics Committee also met to review Association programs in these fields.

The Association of Canners State and Regional Secretaries met and discussed programs of benefit to canners which might be extended to the advantage of other groups of canners.

The A.C.S.R.S. also appointed a committee to study the possibility of providing a mural for the entrance hall of the new N.C.A. Western Branch Laboratory building in Berkeley.

AGRICULTURE

No 'Business as Usual' At USDA, Brannan Reports

Activities of the U. S. Department of Agriculture have been redirected wherever necessary to serve defense purposes effectively and economically, it is stated by Secretary Brannan in his annual report to the President.

"We by no means have a 'business as usual' attitude," the Secretary states in the report.

Facilities and personnel of all bureaus and agencies of the Department are being utilized toward achieving agriculture's preparedness objectives, the report declares, with specific delegations of defense responsibilities to the Production and Marketing Administration and the Forest Service.

In emphasizing the use of existing facilities and programs for expanded defense responsibilities, the report states:

"We are not asking for additional millions to set up and operate a separate war food administration. We believe we can not only save considerable money by carrying on our defense functions within existing agencies, but we can also do a more effective job with less confusion and overlapping."

Secretary Brannan also emphasizes the need for providing some better method of price support for perishables. He states in his report that a workable answer to such problems as waste of perishables is needed now and not just for the future.

Secretary Brannan declares in his report that farmers are not asking a "guarantee" of profits. "But they do have every right to ask reasonable protection when they are called upon to act in the nation's interest without regard to their own. The uncertainty of the nation's future needs in such times as these makes greater the farmer's gamble in answering the call to abundant production."

DEFENSE

Boxcars for Food Cans

The N.C.A. has submitted to the U. S. Department of Agriculture an estimate of the total daily boxcar requirements for metal cans to be delivered to canners during the months of May through October for this year's packing operations.

The study was initiated by members of the N.C.A. Traffic Committee following its March 29 meeting. Seven can companies furnished data on their estimated boxcar requirements. The N.C.A. summarized the data to indicate the car requirements according to shipping points.

The survey was submitted to the Fruit and Vegetable Branch of PMA. It is expected that USDA will confer with the Interstate Commerce Commission to help ensure delivery of cans for the coming pack.

Clarification of Extension Of Effective Date of CPR 22

In the INFORMATION LETTER of May 26 it was announced that the effective date of CPR 22 would be postponed until July 2, 1951. Subsequently, on May 28, Amendment No. 6 to CPR 22 was issued officially granting this extension. For the benefit of those canners who pack products which are subject to the provisions of CPR 22 some clarification of this extension may be helpful.

Following this extension, a canner is not required to file reports on Form No. 8 of his recalculated ceiling prices for products covered by CPR 22 until July 2. Furthermore, canners may continue to use their current General Ceiling Price Regulation prices until July 2. They may do this even though the required reports on Form No. 8 have already been filed with the Director of Price Stabilization. The requirement that no price increase can be put into effect until 15 days after the date of filing Form No. 8 with the Director of Price Stabilization is still in effect. A canner, therefore, who does not file the report until July 2 must wait 15 days thereafter to make any price increases effective.

Notwithstanding the extension, however, any canner who has met all the reporting requirements of CPR 22 may at any time prior to July 2, 1951, institute his new ceiling prices for the products covered by the Regulation, subject to the 15 day requirement for

price increases. If he elects to exercise this option, he must do so with respect to all products subject to the Regulation.

This Amendment No. 6 also contains one change applicable to sellers of products covered by CPR 22 who are unable to establish ceilings under any of the provisions of the Regulation and are forced to apply to the Director of Price Stabilization for establishment of ceiling prices. The

Amendment provides that if such a canner's existing ceiling prices were determined under Section 3 of the General Ceiling Price Regulation he may, after making application to the Director of Price Stabilization for ceiling prices under CPR 22, continue to use his ceiling price determined under Section 3 of the General Ceiling Price Regulation until notified by the Director of Price Stabilization of his ceiling prices under CPR 22.

Résumé of Wage Stabilization Regulations and Amendments

In the INFORMATION LETTER of March 10, 1951, there appeared a summary of the contents of General Wage Regulations Nos. 1 through 8 issued by the Wage Stabilization Board subsequent to the general wage freeze. This was supplemented by a summary of General Wage Regulations Nos. 9 and 10 in the INFORMATION LETTER of March 17. General Wage Regulations Nos. 9 and 10 have been amended and an additional regulation, No. 11, has been issued. There follows a brief résumé of the contents of the amendments and General Wage Regulation No. 11. For actual application of the regulations and amendments, reference should be made to the text of each. In addition, canners may find it helpful to refer to the Wage Stabilization Board's Interpretative Bulletins which contain a series of questions and answers on the general regulations. Bulletins Nos. 1 through 3 have been issued dated April 13, April 23 and April 30 respectively.

Amendment to General Wage Regulation No. 9

General Wage Regulation No. 9 provided wage schedules for new plants and set forth a definite set of procedures for establishing schedules of wage rates. It provided that if a company had an existing plant and opened another in the same location the rates of wages for the jobs in the new plant were to be the same as those in the old plant for the same or comparable jobs. In the event the company had no existing plant in the same location the establishment of a wage schedule was to be governed by one of three rules depending on the circumstances:

(1) Rates cannot exceed those for the same or comparable jobs in the same industry in the same local labor market area.

(2) If the same industry does not exist in the same local labor area then

the wage rates cannot exceed those for the same or comparable jobs in a comparable industry in the same local labor market area.

(3) If comparable rates for the same local labor market, as specified in (2) are not available the rates for the new plant must be fixed in terms of rates for the same or comparable jobs in the same industry located in the most nearly comparable labor market area.

On May 16, 1951, the Wage Stabilization Board issued an amendment to General Wage Regulation No. 9 which stated that the Board would consider requests for modification of the criteria specified in the Regulation where their application with respect to the internal structure of a wage schedule or with respect to supplemental compensation practices would be unworkable or would cause undue hardships in the circumstances of the particular case. Requested modifications, however, may not be put into effect without prior authority of the Wage Stabilization Board.

Amendment to General Wage Regulation No. 10

Wage Regulation No. 10 as originally issued was amended on May 25, 1951. This Regulation as amended permits the continuation of certain "tandem" wage relationships that existed before January 25, 1951. A "tandem" relationship is defined as a well established and maintained practice whereby the timing, amount and nature of general adjustments in the wages, salaries and other compensation of a given appropriate unit have been directly related to those of another unit of employees. As for example, the white collar workers of a company may have traditionally received the same increases initially negotiated for production workers. The Amended Regulation contains a definition of what will be considered an appropriate unit. The procedure

to be followed in filing applications with the Wage Stabilization Board for approval of the adjustments required to restore "tandem" relationships which have been disrupted is also set forth. Petitions for adjustments must show proof that a "tandem" relationship has existed for five years, or if for less than five years the circumstances must be set forth in full.

The Regulation before it was amended required proof that the relationship had existed for ten years. It also originally established a cut-off date of February 9, 1951 but this was eliminated in the amendment.

General Wage Regulation No. 11

This Regulation was issued by the Wage Stabilization Board to adapt the existing 10 percent limitation on general wage increases to agricultural labor. Because of the seasonal nature of agriculture, it was found necessary to change the base date for calculating farm wage increases from January 15, 1950 to the applicable crop season in 1950. Furthermore, it was deemed desirable to permit farm wages below 95 cents an hour to rise to that figure without reference to the 10 percent formula.

The Regulation contains a detailed definition of agricultural labor. It includes not only labor employed in the planting, cultivation and harvesting of crops but also in preparation of crops for market, and in their delivery to storage, markets or carriers. The base rate for agricultural labor is the amount of wages, salaries or other compensation paid per hour, month, piece or other unit in the corresponding season or other time period in 1950. The Regulation permits increases without Wage Stabilization Board approval up to and including one of the following:

- (a) The base rate plus 10 percent;
- (b) 95 cents per hour;
- (c) The piece rate customarily considered as corresponding to 95 cents per hour for the particular work, stage of crop season and weather conditions;
- (d) \$225 per month without room and board;
- (e) \$195 per month, plus the use of a year-round house and the usual perquisites of a full-time agricultural employee;
- (f) \$175 per month with room and board

Employers of agricultural labor who have no base rate for a particular type of work utilize a current permissible rate for the same or comparable work in the area.

Area 'Legal Minimums'

National "legal minimum" prices for vegetables for processing as of May 15 were announced May 29 by the Production and Marketing Administration, USDA.

To determine location adjustments as of May 15, the dollar and cent increase over the January 15 prices should be applied to the area price for each commodity as listed in USDA's January 15 "legal minimum" prices.

Vegetables for Processing	Legal minimum Jan. 15, 1951 (dollars per ton)	Legal minimum May 15, 1951	Increase (dollars)
	1951	1951	
Asparagus	205.00	205.00	
Beans, lima	152.00	158.00	6.00
Beans, snap	122.00	127.00	5.00
Beets	23.80	24.70	.90
Cabbage	16.80	17.50	.70
Corn	22.70	23.50	.80
Cucumbers (bu.)	1.63	1.63	
Peas	90.00	103.00	13.00
Pimientos	71.50	73.90	2.40
Spinach	58.50	60.60	2.10
Tomatoes	31.30	32.40	1.10

Can Order, M-25, Amended

An amendment to the can order, M-25, permitting use of .25 tin plate for small powdered whole milk cans until July 31, was issued May 31 by the National Production Authority.

The amendment also adds products containing a dry milk base to the list of baby foods with an unlimited tin plate preference "A" quota. Package specifications for these, however, are limited to .25 tin plate for soldered, welded or nonsoldered parts.

The full text of the amendment follows:

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter VI—National Production Authority, Department of Commerce

[Amendment 2 to NPA Order M-25, as amended April 6, 1951]

M-25—CANS MILK; BABY FOOD

This amendment of May 31, 1951, to NPA Order M-25 is found necessary and appropriate to promote the national defense and is issued pursuant to the authority granted by section 101 of the Defense Production Act of 1950. In the formulation of this amendment consultation with industry representatives has been rendered impracticable due to the necessity for immediate action.

This amendment affects NPA Order M-25, as amended April 6, 1951, as follows: It supersedes the amendment dated April 24, 1951, and revises item 125 of schedule I of NPA Order M-25 by establishing preference A for can

sizes smaller than 5-gallon containers for packing milk, dry, whole, and listing certain changes in can material specifications for these containers. It revises item 167, Baby food, by including thereunder an additional subitem, "Dry milk base," and listing can material specifications for these containers.

Items 125 and 167 of schedule I are hereby revised and amended to read as follows:

This amendment shall take effect on May 31, 1951.

NATIONAL PRODUCTION AUTHORITY,

MANLY FLEISCHMANN,
Administrator.

(Sec. 704, Pub. Law 774, 81st Cong. Interpret or apply sec. 101, Pub. Law 774, 81st Cong.; sec. 101, E. O. 10161, Sept. 9, 1950, 15 F. R. 6195, 3 CFR 1950 Supp.; sec. 2, E. O. 10200, Jan. 8, 1951, 16 F. R. 61)

Product	Preference	Quota	Can materials	
			Soldered or welded parts	Nonsoldered parts
(1)	(2)	(3)	(4)	(5)
125. Milk, dry, whole, including dietary dried milk base products	A	Unlimited		
5-gallon and 50-pound cans			0.50	0.50
Sizes smaller than 5-gallon—plate specifications apply through July 31, 1951			.25	.25
Milk, dry, skimmed	A	Unlimited		
5-gallon and 50-pound cans			.50	.50
167. Baby food	A	Unlimited		
Dry milk base			.25	.25
Fruit			1.50	1.50
Vegetables			1.25	1.25
Meat			.50	.50
Fish			.50	.50
Vegetable with meat			1.25	1.25
Cereal, pudding and custards with fruits			1.50	1.50
Cereal, pudding and custards without fruits			.50	.50

STATISTICS

Wholesale Distributor Stocks of Canned Foods

A summary showing wholesale distributor and canner stocks of specified canned foods, compiled by the Bureau

of the Census and combining cannery stock totals of the N.C.A. Division of Statistics, is shown below:

Wholesale Distributor and Cannery Stocks of Specified Canned Foods

(Including warehouses of retail food chains)

Commodity	May 1, 1950		May 1, 1951		Apr 1, 1951		All sizes smaller than No. 10 May 1, 1951	Institution sizes, all sizes No. 10 or larger May 1, 1951
	Distributors	Canners	Distributors	Canners	Distributors	Canners		
	(in thousands of actual cases)							
Vegetables:								
Beans, green and wax.....	3,009	3,198	5,110	3,036	5,321	4,305	4,119	991
Corn.....	6,760	12,485	8,547	2,831	9,190	4,515	7,795	732
Peas.....	5,213	3,268	7,275	2,298	8,084	3,470	6,475	800
Tomatoes.....	4,449	3,539	3,923	288	4,795	586	3,276	647
Fruits:								
Apricots.....	777	768	846	260	985	393	726	120
Fruit cocktail ¹	1,618	4,221	2,860	1,155	3,085	1,500	2,563	297
Peaches.....	4,059	4,532	5,316	1,274	6,086	1,780	4,705	611
Pears.....	1,005	1,152	1,525	1,100	1,542	1,582	1,264	261
Pineapple.....	3,441	2,670	5,486	1,462	5,300	1,626	4,850	636
Juices:								
Tomato ²	3,129	6,835	4,475	3,042	4,915	3,908	4,269	206
Grapefruit ²	1,482	2,708	2,626	4,137	2,719	3,192	2,579	47
Orange ²	1,960	4,570	2,566	6,274	2,763	6,358	2,535	31
Citrus blend ²	782	1,470	1,239	2,627	1,169	2,469	1,225	14
Pineapple.....	1,384	2,240	2,103	4,173	2,061	4,223	2,109	54

¹ Includes fruit for salad and mixed fruits (except citrus). ² Cannery stocks cover Florida only; reported on No. 2 basis—not actual cases. ³ Includes vegetable juice combinations containing at least 70 percent tomato juice.

Source of canners' stocks: National Canners Association, Pineapple Growers Association of Hawaii, and Florida Canners Association.

Stocks and Shipments Of Canned Vegetables

Reports on canners' stocks and shipments of canned lima beans, beets, and carrots have been compiled by the N.C.A. Division of Statistics, and detailed reports have been mailed to all canners packing these products.

Lima Bean Stocks and Shipments

	1949-50	1950-51
	(actual cases)	
Carryover, Aug. 1.....	103,230	1,069,265
Pack.....	4,713,207	3,591,173
Total supply.....	4,816,437	4,660,438
Stocks, May 1.....	1,767,740	1,372,769
Shipments, Feb. 1 to May 1.....	837,715	1,170,795
Shipments, Aug. 1 to May 1.....	3,048,697	3,287,669

Canned Beet Stocks and Shipments

	1949-50	1950-51
	(actual cases)	
Carryover, July 1.....	64,712	829,736
Pack.....	7,922,938	8,463,371
Total supply.....	7,987,650	9,313,107
Stocks, May 1.....	1,544,614	2,333,272
Shipments, March and April.....	1,065,154	1,366,646
Shipments, July 1 to May 1.....	6,443,086	6,979,835

Canned Carrot Stocks and Shipments

	1949-50	1950-51
	(actual cases)	
Carryover, July 1.....	718,573	528,533
Pack.....	1,663,591	1,704,614
Total supply.....	2,382,164	2,233,147
Stocks, May 1.....	734,510	588,541
Shipments, March and April.....	320,748	358,642
Shipments, July 1 to May 1.....	1,647,634	1,644,066

PROCUREMENT

Hearing Scheduled June 11 on Walsh-Healey Exemption

Notice is given in the *Federal Register* of May 25 that a public hearing will be held by the Labor Department's Public Contracts Division on June 11 on the matter of an exemption from the Walsh-Healey Act on contracts for 32 canned foods annually purchased by the Quartermaster Corps.

The Labor Department announcement states that the Secretary of the Army has made written findings that the conduct of government business will be seriously impaired by the inclusion of the representations and stipulations of Section 1 of the Walsh-Healey Act in contracts for these canned foods.

The Labor Department announcement was signed by the Secretary of Labor and is reproduced in full as follows:

DEPARTMENT OF LABOR

Division of Public Contracts

(41 CFR, Part 20)

CONTRACTS FOR CERTAIN CANNED FRUITS AND VEGETABLES

EXEMPTION FROM PROVISIONS OF WALSH- HEALEY PUBLIC CONTRACTS ACT

In accordance with §201.601 of the Walsh-Healey Public Contracts Act regulations (41 CFR 201.601), the Secretary of the Army has made written findings that the conduct of Government business will be seriously impaired by the inclusion of the representations and stipulations of section 1 of the Walsh-Healey Public Contracts Act (49 Stat. 2036; 41 U.S.C. 35) in contracts awarded on or before December 31, 1951, for canned fruits

and vegetables of the following varieties:

Apples, canned.
Applesauce, canned.
Apricots, canned.
Asparagus, canned.
Beans, lima, canned.
Beans, string, canned.
Berries, canned.
Carrots, canned.
Catsup, tomato.
Cherries, sour, canned.
Cherries, sweet, canned.
Corn, cream style, canned.
Corn, whole grain, canned.
Figs, canned.
Fruit cocktail, canned.
Grapefruit, canned.
Juice, citrus.
Juice, grape.
Juice, pineapple.
Peas, green, canned.
Peaches, canned.
Pears, canned.
Pineapple, canned.
Plums (prunes), canned.
Potatoes sweet, canned.
Pumpkin, canned.
Puree, tomato.
Sauce, cranberry.
Spinach, canned.
Tomatoes, canned.
Tomato juice, canned.
Tomato paste, canned.

Pursuant to section 6 of the Walsh-Healey Public Contracts Act, and, upon the basis of this finding, the Secretary of Labor has been requested by the Secretary of the Army to grant an exemption from the provisions of section 1 of the act permitting the award of contracts for the above varieties of canned fruits and vegetables for the balance of the calendar year 1951 without inclusion of the representations and stipulations of that section.

Notice is hereby given of a public hearing on this matter before the Acting Administrator of the Public Contracts Division or his authorized representative at 10:00 a.m. on Monday June 11, 1951, in Room 5406, Department of Labor Building, Fourteenth Street and Constitution Avenue, N.W.,

Washington, D. C., at which interested persons may appear and submit data, views and arguments either in support of or in opposition to this proposal. Written statements in lieu of personal appearance may be filed by mail at any time prior to the date of the hearing, or may be filed with the presiding officer at the hearing. Persons appearing at the hearing will be afforded an opportunity to file, within 7 days from the close of the hearing, briefs relating to the issues raised at the hearings.

Signed at Washington, D. C., this 22d day of May 1951.

MAURICE J. TOBIN,
Secretary of Labor.

Invitations for Bids

Quartermaster Purchasing Offices—111 East 16th Street, New York 3, N. Y.; 1819 West Pershing Road, Chicago 9, Ill.; Oakland Army Base, Oakland 14, Calif.

Veterans Administration—Procurement Division, Veterans Administration, Wash. 25, D. C.

The Walsh-Healey Public Contracts Act will apply to all operations performed after the date of notice of award if the total value of a contract is \$10,000 or over.

The QMC has invited sealed bids to furnish the following:

FRUIT JAMS—quantities in 2-lb. jars and No. 10 cans, f.o.b. destination. Bids due at Chicago under QM-11-009-51-1764 by June 4.

FRUIT JELLIES—quantities in 2-lb. jars, 1-lb. jars and No. 10 cans, f.o.b. destination. Bids due at Chicago under QM-11-009-51-1659 by June 6.

FRUIT JELLIES—quantities in 2-lb. jars and No. 10 cans, f.o.b. destination. Bids due at Chicago under QM-11-009-51-1768 by June 11.

The Veterans Administration has invited sealed bids to furnish the following:

PINEAPPLE—1,146½ dozen No. 2 cans or equivalent in other size cans, sliced, water-pack (Grade A), f.o.b. destination or origin. Bids due under 178-S(D2) by June 18.

MARASCHINO CHERRIES—2,400 one-half gallon jars and 1,200 one-gallon jars, f.o.b. destination. Bids due under S-260 by June 13.

FOREIGN TRADE

Census of Foreign Investments

The first postwar census of American direct investments abroad is under way. The census is mandatory and reports must be filed by July 31 of this year with the Balance of Payments Division, Office of Business Economics, U. S. Department of Commerce, Washington 25, D. C.

The questionnaires call for information as of December 31, 1950, on the size and composition of direct investments abroad, foreign earnings of companies operating outside the United States, and data on various types of transactions between American parent organizations and their controlled enterprises.

Quality Food and Packaging In Marshall Plan Countries

Progress toward better quality and packaging of food products in Europe has been reported following a three-month visit there by a canner executive on loan to the Marshall Plan.

George W. Foster, on loan to the Economic Cooperation Administration, went to Europe as a food consultant, visited most Marshall Plan countries, and discussed processing and marketing of foods produced there.

According to an ECA announcement, he has reported that progress in better quality and packaging of food products will help Western Europe feed itself more adequately, earn foreign currency to maintain trade, and make it easier to feed allied forces in Europe if there should be any interference with shipping.

Mr. Foster attributed recent progress in food processing and handling to three factors: (1) the forward-looking attitude of certain food industries in various European countries, (2) the influence of American forces in Europe during and following the war, and (3) technical help furnished by ECA through its missions and technical assistance projects.

The ECA announcement is quoted, in part, as follows:

"Progress in quick-freezing, canning, and other processing methods, Foster emphasized, is helping the Marshall Plan countries extend the market and season for food supplies. It also is cutting food losses, and resulting in food with more vitamins. As a result, the Western European countries will be better able to feed their growing populations, as well as improve living standards.

"From conferences with many branches of food and related industries, the California canning executive reported numerous examples of enterprise by European concerns to put up better quality products. . . .

"More such follow-through with customers, Foster told European food industries, will clear up many problems in their export business.

"The Marshall Plan countries generally, the food consultant reported, are taking an increasing interest in food standardization. Sweden is expecting a new food and drug law; Turkey is making good headway toward standardization, with similar progress noted in other countries. In The Netherlands, Foster found five dairy areas free of TB, with their milk now being sold in U. S. Army PX's in Paris.

"Foster found in Norway and Sweden outstanding examples of steps to

maintain quality of export goods. Both countries have excellent laboratories to inspect products to see that minimum quality standards are met as a requisite for export licenses.

"Other European countries need more research laboratories to devise ways to improve and assure the quality of processed foods, Foster said. They also need to give more attention to varieties of fruits and vegetables grown, and to the influence of production factors.

"A closely related development, the ECA consultant said, is a growing interest in American-type descriptive labeling of packaged foods. In the United Kingdom, for example, he found labels giving the quality of the contents, along with instructions and recipes for cooking and otherwise preparing food dishes. He also noted especially fine labeling of cheese in The Netherlands. This type of labeling Foster said, is contributing to standardization of foods.

"Throughout the Marshall Plan countries, the food industry official encountered slowly-emerging changes in the processing and packaging of food products. . . .

"France, The Netherlands, and other European countries are putting up increased amounts of canned foods, Foster said. This development, following the trend in the United States of the past 30 years or so, has been stimulated by U. S. practices and policies.

"Foster discussed with European food industry officials changes in merchandising practices and consumer preferences in Europe, as well as in

the United States and elsewhere, that must be met to maintain their business. He explained, for example, that about three-fourths of U. S. food sales are through self-service stores, and that the consumer makes up his mind on much of his purchases after he gets to the store. . . .

"The U. S. team of packaging experts sent to London, Paris, and other points by ECA, the food consultant said, has created a great deal of interest in improved standards, labeling, and packaging."

PERSONNEL

American Can Co. Officers

S. D. Arms, general manager of manufacture for the American Can Company, has been elected vice president in charge of the firm's Atlantic Division, succeeding R. L. Sullivan, who has retired after serving the company for 47 years. G. W. Reese has been appointed general manager of manufacture.

Four other appointments have been announced by W. C. Stolk, Canco president:

F. J. Green and C. F. Lausten have been named assistant general managers of manufacture, and R. B. Thompson and A. T. Augensen have been promoted to manager of manufacture of the Atlantic and Pacific Divisions, respectively.

TABLE OF CONTENTS

	PAGE		PAGE
Association Activities		Agriculture	
Board urges recognition of essentiality of canning	217	No 'business as usual' at USDA, Brannan reports	220
Resolution of N.C.A. Board of Directors	218	Statistics	
Convention		Wholesale distributor stocks of canned foods	222
1952 Convention dates	217	Stocks and shipments of canned vegetables	223
Defense		Procurement	
Ceiling price regulations	217	Hearing scheduled June 11 on Walsh-Healey exemption	223
Boxcars for food cans	220	Invitations for bids	223
Clarification of extension of effective date of CPR 22	220	Foreign Trade	
Résumé of wage stabilization regulations and amendments	221	Census of foreign investments	223
Area 'legal minimums'	222	Quality food and packaging in Marshall Plan countries	224
Can order, M-25, amended	222	Personnel	
Labor		American Can Co. officers	224
Local recruitment essential during present labor shortage	217		